

To: Rental Housing Tax Credit Partners Notice: MFD-09-13

From: IHCDA Multi Family Department

Date: April 21, 2009

Re: IHCDA Tax Credit Exchange & Assistance Program Policy and Procedures - DRAFT

On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law. This legislation includes two enhancement funding sources for Low-Income Housing Tax Credit (LIHTC) developments: the Tax Credit Assistance Program (TCAP) and the Credit Exchange Program.

The programs are similar in that they can provide cash to fill funding gaps for both 4% and 9 % tax credit projects funded in 2007, 2008 or 2009 that have attempted but may/may not have secured equity. In Indiana, IHCDA will receive a direct appropriation of \$38,048,333 in TCAP from HUD and also be allowed to exchange up to 100% of the "traditional" tax credits returned from 2007 and 2008 projects and 40% of the 2009 "traditional" tax credits for cash through the Secretary of the Treasury. Midwestern Disaster Credits are not eligible to be exchanged for cash through Treasury and TCAP funds will not be eligible for developments that have received Midwestern Disaster credits.

In order to meet the aggressive timeframes outlined in the ARRA, IHCDA has completed a comprehensive draft of the proposed policies and procedures. The draft is available for review by clicking here.

Public review and comments of the draft are encouraged and will be accepted up to and including May 22, 2009. Please submit written comments to J. Jacob Sipe, Multi-Family Manager at: jsipe@ihcda.in.gov.

A public hearing will be held on Friday, May 22, 2009 at 10:30am (EST). The hearing will take place in IHCDA's training rooms located at 30 South Meridian Street, Suite 1000, Indianapolis, IN 46204.

Please note: To date, the U.S. Treasury and HUD have not released their guidelines on the TCAP or Credit Exchange Programs. *This draft is, therefore, subject to revision*. Once all federal guidelines and/or comments have been made public, IHCDA will revise and include any necessary federal requirements.







For additional information you may access the following links:

American Recovery and Reinvestment Act

HUD site for Tax Credit Assistance Program Funds



